MEDICAL CENTER PLANT SERVICES – PROCUREMENT PROCESSES POLICY

Purpose: The purpose of this policy is to clearly define the processes within Plant Services that govern the procurement of equipment, parts, etc.

Policy: This policy will define the following processes:
1. Pricing for Equipment, Materials, or Services
2. Purchasing Equipment, Materials, or Services
3. Purchase Order Approval
4. Material Delivery and Sign-Off

Procedure: PRICING FOR EQUIPMENT, MATERIAL OR SERVICES

It is the policy of Vanderbilt University to obtain competitive proposals or quotations where possible on all products and services used by the University. Additionally, as stewards of Vanderbilt’s resources, it is important that each person involved in the procurement process attempt to get the most competitive pricing on any material purchased. In order to achieve that goal, the following guidelines are to be followed whenever a purchase is being considered:

1. For material, equipment or services whose total value either individually or as a system is less than $5,000 – a single source is appropriate.
2. For material, equipment or services whose total value either individually or as a system is greater than $5,000 and less than or equal to $10,000 – at least two pricing sources are required.
3. For material, equipment or services whose total value either individually or as a system is greater than $10,000 – at least three pricing sources are required.

Exceptions to these guidelines must be approved at the Director or higher within Plant Services.
PURCHASING EQUIPMENT, MATERIAL OR SERVICES

The purchase of products and services at Vanderbilt University is accomplished through a variety of different procedures. These procedures are designed to address the great differences in complexity, value, risk and transaction volumes associated with these purchases. The advent of the internet and other electronic technologies makes it possible for Plant Services staff to order their most commonly purchased products online, greatly reducing the entire process cycle time. The list below describes those purchasing methods most commonly used by Plant Services staff:

1. **EProcurement** – Vanderbilt’s electronic shopping and purchasing system for most products up to $25,000. This is the most commonly used process within Plant Services and purchasing information from this system is imported directly into our Four Rivers Work Management System.

2. **Procurement Card (Pcard)** – University credit card to be used for low-dollar, discretionary transactions with local retailers, internet companies and travel related services (as there are already well developed accounting controls governing Pcard purchases, they will not be discussed in this policy).

Within VUMC Plant Services, the purchasing process can take several forms; (1) Plant Services Storeroom purchases, (2) Purchases by individual staff members, and (3) Pcard purchases. The practices governing the first two processes will be described.

1. Purchases less than $5,000 – Any equipment or materials whose individual value is less than $5,000, **MUST** be purchased through the Plant Services Storeroom. This can be accomplished in one of two ways:

   a. Provide the necessary purchasing information to the Storeroom staff so they may place the order.

   b. Soliciting pricing from a supply source and provide that information to the storeroom so they may purchase the item(s).
2. Purchases greater than $5,000 - Any equipment or material whose individual value is greater than $5,000 can be purchased either through the Plant Service Storeroom or by an individual staff member.

If the purchase is being made through the storeroom, one of the two processes described in number one above must be followed.

If the purchase is being made by an individual staff member the following processes must be followed:

a. If appropriate, the purchase must be competitively bid in accordance with already mentioned guidelines.

b. A Vanderbilt purchase order must be completed and approved before the material is delivered to campus (in emergency situations, this requirement may be omitted with shop manager or higher approval).

c. A copy of the approved purchase order or the eProcurement document must be sent to the Plant Services Storeroom before the purchase is delivered to campus (in emergency situations, this requirement may be omitted with shop manager or higher approval).

NOTE: It is not appropriate for Plant Services Staff to purchase material of any type directly from a supply house without an approved purchase order for that specific material already in the system. Additionally, Pcard purchases may only be made by the staff member to whom the Pcard is issued.
PURCHASE ORDER APPROVAL
Non Storeroom initiated purchase orders must meet the following criteria before they will be approved:

1. If competitive bidding documentation is required by this policy, that documentation must be submitted to either the Plant Services Administrative Officer or their designee when the purchase order is submitted (applies to both eProcurement and paper purchase orders).

2. Once the purchase order is submitted, it will be reviewed to insure it is accurate and the proper charge information is recorded on the purchase order. The Plant Services Administrative Officer or their designee will indicate that an electronic purchase order is ready for approval by indicating electronically that it has been reviewed. If it is a paper purchase order, the office staff will initial the paper form next to the Requisition Number at the top of the form.

Plant Services Storeroom purchase orders must meet the following criteria before they will be approved:

1. If competitive bidding documentation is required by this policy that documentation must be submitted to the Plant Service Storeroom administrative staff when the purchase order is (applies to both eProcurement and paper purchase orders).

2. Once the purchase order is submitted, it will be reviewed by the Plant Service Storeroom administrative staff to insure it is accurate and the proper charge information is recorded on the purchase order. If the purchase order meets the criteria called for in this policy, it will be approved by the storeroom administrative staff.

3. Storeroom staffs are the only Plant Services staff members authorized to process a purchase order through the Storeroom system.

General Purchase Order Approval Guidelines:

1. All purchase orders, regardless of amount, must have at least 2 signatures. In eProcurement, this would be the purchase order originator (signature indicated by the submission of the purchase order) and one other individual. For paper purchase orders, both the originator and the approver’s signature must be on the paper purchase requisition.
2. It is prohibited by this policy for any Plant Services staff member to act as both the purchase order submitter and the purchase order approver.

3. The Plant Services staff member approving any purchase order must be administratively, at least one level above the purchase order submitter. For example, a purchase order submitted by a shop manager must be approved by either an assistant director, associate director, or a director level employee or greater.

MATERIAL DELIVERY AND SIGN-OFF

In keeping with Vanderbilt’s procurement policy and good business practices, it will be a violation of this policy for material to be ordered and received through the procurement system by the same Facilities Management staff member. This applies to all staff member including shop personnel, administrative personnel, storeroom personnel, and apparatus shop personnel. The following work rules are intended to aid staff in complying with this policy:

1. All receiving for vendor delivered materials for Facilities Management will be made to one of the two Storeroom locations (Medical Center North or the Oxford House). Exceptions to this will be for moving items for which significant costs would be incurred moving these items from a Storeroom location to the item’s point of use. These exceptions will be made on a case-by-case basis and the items must be confirmed by the Shop Manager or Assistant Manager. The receiving documents for the exceptions will be submitted to the Administrative Assistant in the 4th Floor offices.

2. All receiving for picked up materials for Facilities Management will be made to one of the two Storeroom locations (Medical Center North or the Oxford House). A Shop Manager or Assistant Manager may confirm receipt of picked up items when the location of end point warrants. The receiving documents for the picked items confirmed by the Shop Manager or Assistant Manager will be submitted to the Administrative Assistant in the 4th Floor offices.

3. All receiving documents for picked up materials for Facilities Management that will be used in a building located off campus can be delivered to the off campus building. A Shop Manager or Assistant Manager may confirm receipt of items taken directly to an off campus building the following day. The receiving documents for the exceptions will be submitted to the Administrative Assistant in the 4th Floor offices. Random audits will be performed to verify the policy is being followed.
4. All receiving for picked up materials for Facilities Management that are purchased outside of normal operating hours will be confirmed by a Shop Manager or Assistant Manager the following day. The receiving documents for after-hours purchases that are confirmed by the Shop Manager or Assistant Manager will be submitted to the Administrative Assistant in the 4th Floor offices. Random audits will be performed to verify the policy is being followed.

5. Contractor furnished and installed items that are not purchased through our procurement system are not required to go through the Storeroom first.

6. While the Storeroom staff and Managers technically “receive” materials and sign for them, they are not considered the final “receiving entity.” The “receiving entity” will be defined as follows:
   a. Routine materials issued, nor materials commonly kept in stock in the Storeroom meant to be used for Facilities Management work orders (pipe, fittings, electrical supplies, fixtures, etc.). For these materials the Facilities Management staff member to whom the material is issues in TMS will be considered the “receiving entity.”
   b. Non-routine materials, if a staff member places on order for materials which is to be delivered that person cannot sign receiving documents unless cosigned and dated by a Manager or Assistant Manager.
   c. The store room is the final check point in the verification process of the receiving document prior to its filing.
      i. Facilities Management Storeroom staff will ensure all TMS receiving documents have the proper vendor attached document(s) along with proper legible signatures and dates for all materials processed by Storeroom Personnel.
      ii. The Facilities Management Administrative Assistant(s) will ensure all TMS receiving document(s) along with the proper legible signatures and dates for all materials signed and confirmed by a Manager or Assistant Manager.
      iii. Receiving documents found lacking the above will be brought to the attention of the StoreRoom Manager to be resolved in coordination with the appropriate shop manager.
iv. Receiving documents the Facilities Management Storeroom Manager is unable to resolve will be brought to the attention of the Facilities Management Manager responsible for the materials procurement processes.

v. Receiving documents the Facilities Management Procurement Manager cannot resolve will be brought to the attention of the Senior Facilities Management Director.

Responsibility: It is the responsibility of every individual who participates in any way in the Plant Services Purchasing process to adhere to this policy. Additionally, it is the responsibility of each work group supervisor, manager, etc. to insure that this policy is complied with in their work areas.